

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 8/31/2001

	As of <u>8-31-01</u>	As of <u>6-30-01</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,231,186,781	\$ 1,308,028,885
INTERNATIONAL EQUITIES	484,376,888	514,564,916
DOMESTIC FIXED INCOME	1,263,284,808	1,202,840,894
INTERNATIONAL FIXED INCOME	135,062,428	125,377,934
REAL ESTATE POOL	183,400,636	208,727,065
VENTURE CAPITAL	80,901,632	98,385,006
INVESTED CASH (NOTE 1)	<u>81,768,140</u>	<u>58,551,081</u>
 TOTAL INVESTMENTS	 3,459,981,313	 3,516,475,781
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	19,159,354	20,263,974
CONTRIBUTIONS/ASSESSMENTS REC	868,138	6,616,070
MISCELLANEOUS RECEIVABLES	<u>590</u>	<u>2,166</u>
 TOTAL RECEIVABLES	 20,028,082	 26,882,210
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	6,156,455	6,187,672
DUE FROM OTHER AGENCIES (NOTE 3)	19,955	53,684
FIXED ASSETS (NET) (NOTE 4)	<u>8,684</u>	<u>8,684</u>
 TOTAL ASSETS	 <u><u>\$ 3,486,194,489</u></u>	 <u><u>\$ 3,549,608,031</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	2,612,792	2,673,785
ACCRUED EXPENSES	220,149	240,023
DUE TO OTHER AGENCIES (NOTE 5)	<u>19,956</u>	<u>53,684</u>
 TOTAL LIABILITIES	 2,852,897	 2,967,492
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,546,640,539	3,701,142,773
CASH IN DURING YEAR (NOTE 6)	91,040,559	234,522,531
CASH OUT DURING YEAR (NOTE 7)	43,662,909	228,052,300
NET INCREASE (DECREASE)	<u>(110,676,597)</u>	<u>(160,972,465)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>3,483,341,592</u>	 <u>3,546,640,539</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 3,486,194,489</u></u>	 <u><u>\$ 3,549,608,031</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 8/31/2001

	Month Ended <u>8-31-01</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 10,835,401	\$ 20,046,932
SECURITIES LENDING INCOME	<u>1,029,724</u>	<u>2,103,341</u>
	11,865,125	22,150,273
 GAIN ON SALE OF INVESTMENTS	 27,603,883	 60,141,982
LOSS ON SALE OF INVESTMENTS	<u>46,581,229</u>	<u>81,503,100</u>
 NET GAINS (LOSSES) INVESTMENTS	 (18,977,346)	 (21,361,118)
 INVESTMENT EXPENSES	 2,409,977	 2,687,608
SECURITIES LENDING EXPENSES	<u>949,427</u>	<u>1,921,813</u>
 NET INVESTMENT INCOME	 (10,471,625)	 (3,820,266)
 NET APPREC (DEPREC) MARKET VALUE	 (63,122,482)	 (97,107,032)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(3,591)</u>	<u>7,194</u>
 TOTAL INVESTMENT INCOME	 (73,597,698)	 (100,920,104)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 1,459,850	 1,551,079
PURCHASED SERVICE CREDIT (NOTE 9)	94,731	502,180
PENALTY & INTEREST (NOTE 10)	<u>0</u>	<u>0</u>
 TOTAL ADDITIONS	 <u>(72,043,117)</u>	 <u>(98,866,845)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,081,265	11,200,817
REFUNDS TO MEMBER (NOTE 12)	<u>143,366</u>	<u>414,736</u>
 TOTAL BENEFITS PAID	 6,224,631	 11,615,553
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	63,689	128,724
OPERATING EXPENSES	39,292	60,825
EQUIPMENT	<u>4,650</u>	<u>4,650</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>107,631</u>	 <u>194,199</u>
 TOTAL DEDUCTIONS	 <u>6,332,262</u>	 <u>11,809,752</u>
 NET INCREASE (DECREASE)	 <u><u>\$ (78,375,379)</u></u>	 <u><u>\$ (110,676,597)</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
August 31, 2001

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
8/31/2001

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.